

ND WORKERS' COMPENSATION

State Investment Board Balance Sheet As of 6/30/2004

	As of <u>6-30-04</u>	As of <u>6-30-03</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 241,781,764	\$ 291,383,439
INTERNATIONAL EQUITIES	54,232,015	78,527,424
DOMESTIC FIXED INCOME	742,470,230	570,375,986
INVESTED CASH (NOTE 1)	<u>32,736,071</u>	<u>33,197,221</u>
TOTAL INVESTMENTS	1,071,220,080	973,484,070
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	7,652,514	7,224,588
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	275,839,175	130,202,413
DUE FROM OTHER AGENCIES (NOTE 3)	<u>1,513</u>	<u>0</u>
TOTAL ASSETS	<u><u>\$ 1,354,713,282</u></u>	<u><u>\$ 1,110,911,071</u></u>
LIABILITIES:		
ACCOUNTS PAYABLE	524,430	513,707
SECURITIES LENDING COLLATERAL (NOTE 2)	275,839,175	130,202,413
DUE TO OTHER AGENCIES (NOTE 4)	<u>0</u>	<u>2,396</u>
TOTAL LIABILITIES	276,363,605	130,718,516
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	980,192,555	906,570,883
CASH IN DURING YEAR (NOTE 5)	21,500,000	15,000,000
CASH OUT DURING YEAR (NOTE 6)	15,000,000	22,000,000
NET INCREASE (DECREASE)	<u>91,657,122</u>	<u>80,621,672</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>1,078,349,677</u>	<u>980,192,555</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u><u>\$ 1,354,713,282</u></u>	<u><u>\$ 1,110,911,071</u></u>

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State Investment Board Profit and Loss Statement For the Month Ended 6/30/2004

	Month Ended <u>6-30-04</u>	<u>Year-to-Date</u>
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 2,646,733	\$ 34,320,313
SECURITIES LENDING INCOME	201,048	1,846,315
	<u>2,847,781</u>	<u>36,166,628</u>
 GAIN ON SALE OF INVESTMENTS	 8,428,322	 115,358,978
LOSS ON SALE OF INVESTMENTS	<u>5,835,813</u>	<u>64,618,998</u>
 NET GAINS (LOSSES) INVESTMENTS	 2,592,509	 50,739,980
 INVESTMENT EXPENSES	 237,557	 2,456,411
SECURITIES LENDING EXPENSES	162,453	1,511,756
SIB ADMIN EXPENSES	<u>13,232</u>	<u>96,090</u>
 NET INVESTMENT INCOME	 5,027,048	 82,842,351
 NET APPREC (DEPREC) MARKET VALUE	 5,451,942	 8,776,764
MISCELLANEOUS INCOME/(EXPENSE)	<u>(4)</u>	<u>38,007</u>
 TOTAL INVESTMENT INCOME	 <u>10,478,986</u>	 <u>91,657,122</u>
 NET INCREASE (DECREASE)	 <u>\$ 10,478,986</u>	 <u>\$ 91,657,122</u>

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State Investment Board SUPPLEMENTARY INFORMATION As of 6/30/2004

	As of <u>6/30/04</u>
ASSETS:	
INVESTMENTS (AT COST)	
DOMESTIC EQUITIES	217,672,000
INTERNATIONAL EQUITY	43,785,027
FIXED INCOME	724,836,414
INVESTED CASH (NOTE 1)	<u>32,736,071</u>
TOTAL INVESTMENTS (AT COST)	<u><u>\$1,019,029,512</u></u>

ND WORKERS' COMPENSATION
Notes To Financial Statements
June 30, 2004

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **DUE FROM OTHER AGENCIES**

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 **DUE TO OTHER AGENCIES**

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 6 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.